

Sullivan County NH

Type of meeting: Board of Commissioners & County Treasurer –
Special Meeting For Short Term Borrowing Request
Date/Time: Wednesday, August 29, 2007; 12 Noon
Place: Newport – Remington Woodhull County Complex, 14
Main Street

Attendees: Commissioners Ethel Jarvis – *Chair*, Bennie Nelson – *Vice Chair* and
Jeffrey Barrette – *Clerk*; Ed Gil de Rubio – *County Manager*; Cynthia
Sweeney – *County Treasurer*; Dodi Violette – *Account Clerk I*; Sharon
Johnson-Callum (minute taker).

Public attendees: Aaron Aldridge – *Eagle Times staff reporter*; Donald Clarke –
Claremont Citizen/NH Fish & Game Director; Suzanne Gottling –
State/County Delegate (arrived later in meeting).

12:35 The Chair brought the meeting to order.

SHORT TERM BORROWING REQUEST

CASH FLOW ESTIMATES SPREADSHEET

Mr. Gil de Rubio distributed and reviewed a spreadsheet labeled “Estimated Cash Flow” that reflected a four-month period of:

- **revenues** for Sullivan County Health Care, Laundry, and the revenues coming in to the Newport Complex that include Registry of Deeds, miscellaneous deposits and Court House Rent; totaling \$4,053,209
- **expenses**, using the last 14 months actual and dividing that by 14, to come up with an average of \$1,339,987.38 per month, then using that figure for the future months of September – December; for a total of \$5,359,948.

He then reviewed the Line of Credit from 4/19/07 to 6/28/07, amounts approved, by whom and when and the amounts borrowed, by whom and when. He noted projections take into account a census of 126 for September and an increase to 138 in October. He noted they did adjustments for anticipated payroll and ET buy back. He noted he, Dave Laplante, Julie Woodman and Dodi Violette all worked on this to come up with these estimates. He noted there was only \$150,000 left of the current line of credit.

Commissioner Barrette asked how sure he was on the bed tax money, which Mr. Gil de Rubio replied he was pretty sure.

PLAN OF ACTION

Mr. Gil de Rubio pointed out property taxes received in December – due 12/17 – are the only other major revenue source for the County, otherwise the County lives off the revenue from the nursing home. He noted “*With that said, there is no way, unless you*

raise a fund balance from property tax, there is no way to avoid short – term borrowing to survive. With that said we'll have 9 million out in tax money, we pay off when taxes received in December, then sit down in January to strategize on how to adjust taxes to pay off the balance. You need to get buffer built up." Though the County Treasurer was unsure of the percentage on short term borrowing, Mr. Gil de Rubio noted the last time he checked it was around 4.2% for municipalities.

Commissioner Jarvis noted they need reduce further on expenses. Mr. Gil de Rubio noted *"The nursing home is a business, 3-4 years ago we ran it that way and had zero property tax, we have a marginal budget to break even, without a profit, some problems we have are expenses of labor-we have serious problem with call outs"*. He estimates \$700,000 was the cost of call outs on last year's budget – *"a conservative number"*. *"We run a tight ship. The EFC cut \$300,000, you cut,"* [expense funds] and he also reviewed for cuts and could not find anything. Commissioner Jarvis feels health insurance costs should be shared equally. Mr. Gil de Rubio spoke briefly of negotiations and feels with this issue they would need to go into Executive Session as the Union contract is pending. He noted they have two kinds of expenses with the County, accrued and cash flow; and, they lost a big chunk of money in ProShare.

Commissioner Barrette and Nelson feel they are borrowing, at this point, to pay for FY 07 items, plus should have paid it off in FY07.

Commissioner Jarvis expressed frustration for not having end of year figures available right after the close of the fiscal year, June 30th, and wants audit figures immediately. Mr. Gil de Rubio reminded her he copied the Board an email from the auditors with figures. Commissioner Jarvis noted this was not sufficient and demanded a report of revenues and expenses, citing law dictates it must be available by 8/16/07. She reminded all that the MS45 had to have audit figures, that was due out soon. Commissioner Barrette noted he was unsure if audit figures mattered with the borrowing issue before them now.

12:55 Sullivan County State Delegate Suzanne Gottling entered room.

Commissioner Barrette indicated they needed to make all County Department Heads aware to cut expenses; and by next meeting, they need strategies on expense reductions with some type of spending freeze. Mr. Gil de Rubio noted they were targeting agency nursing, a *"big ticket item"*, and requested their political leadership and support as he anticipates, once they focus on reducing those expenses, the Board will begin receiving calls from employees. Commissioner Barrette expressed concern about these phone calls, and requested Mr. Gil de Rubio to provide a "heads up" when this begins. He confirmed he'd like to enter Executive Session to discuss this further. Mr. Gil de Rubio will have this on the agenda at the next meeting. Commissioner Nelson requested a paper print out of how we ended FY08, and what expenses were brought forward from FY 07 to '08. Ms. Sweeney confirmed at no time was she able to take cash to pay down the line of borrowing. Mr. Gil de Rubio confirmed on behalf of the Ms. Sweeney, he spoke to the E.F.C. Chair, Brenda Ferland, and the borrowing will be discussed at Friday's Delegation


meeting during the New Business section. Mr. Gil de Rubio reminded the Board he would not be available Friday, as he is traveling out of State. Ms. Sweeney confirmed she has kept Ms. Ferland updated on the borrowing intensions.

1:05 A motion was made, by Commissioner Barrette, to authorize the County Treasurer to borrow up to 4 million in short term borrowing. Commissioner Nelson seconded the motion. There was no discussion. A voice vote was taken. The vote carried, unanimously.

Ms. Sweeney confirmed \$38,000 was carried over from FY07.

1:07 A motion was made, by Commissioner Barrette, to adjourn the meeting. Commissioner Nelson seconded the motion. There was no discussion. A voice vote was taken. The motion carried, unanimously.

Respectfully submitted,



*Jeffrey Barrette, Clerk
Board of Commissioners*

Date signed: 9/8/07

JB/s.j-c.